GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1220
ANSWERED ON:07.03.2008
PHALGUNA SAKA CONCESSIONAL CREDIT TO FARMERS
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Andhra Pradesh has sought any assistance from the Union Government for giving concessional loans to farmers; and

(b) if so, the action taken/proposed to be taken by Union Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : The Government of Andhra Pradesh had requested the Central Government for extending a onetime grant of Rs.15,000/- for all small and marginal farmers in the country, to be disbursed at the rate of Rs.5,000/- per annum beginning with financial year 2008-09.

In the Union Budget 2008-09, the Government has announced a debt waiver and debt relief scheme for farmers, which covers all agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs) and Cooperative Banks upto 31st March, 2007 and overdue as on 31st December, 2007. The scheme stipulates complete waiver of all loans that were overdue on 31.12.2007 and which remained unpaid until 29.02.2008 for small and marginal farmers, while there is a One Time Settlement (OTS) scheme for other farmers during the same period. The OTS covers a rebate of 25% against payment of the balance amount of 75%.